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In the  
**United States Court of Appeals**  
FOR THE NINTH CIRCUIT

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No. 22049 A

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K-S-H PLASTICS, INC.,  
a Missouri corporation,

*Appellant,*

*vs.*

SUNBEAM LIGHTING COMPANY, INC.,  
a California corporation,

*Appellee.*

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**APPELLANT'S REPLY BRIEF**

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**DEFENDANT HAS IGNORED THE MOST  
SIGNIFICANT EVIDENCE AND DISTORTED  
OTHER EVIDENCE ON THE RECOGNITION  
SYMBOLS K-4, K-5, K-11 AND K-12**

Conspicuously lacking in defendant's brief is any discussion of one of the most important categories of evidence bearing on the significance and recognition of the trade symbols K-4, K-5, K-11 and K-12. This evidence comprises the testimony *from defendant's own witnesses* as to the function of these trade symbols. As pointed out in Appellant's Opening Brief, at pages 12 through 14, deposition statements of defendant's primary employees were taken prior to the commencement of this suit. These witnesses, including the president of defendant, unequiv-

ocally stated that they associated the trade symbols K-4, K-5, K-11 and K-12 with K-S-H Plastics Company. Despite lengthy effort at the trial of this action, defendant was never able to succeed in mitigating, explaining or justifying these damaging admissions. Now, on appeal, defendant has chosen a more palatable manner in handling these statements. Defendant simply disregards these admissions of trademark recognition although emanating from representatives of one of the largest lighting fixture manufacturers in the country. Defendant leaves this court without the slightest indication of why it had previously recognized the symbols K-4, K-5, K-11 and K-12 as trademarks, but now strenuously urges that these symbols are indicative only of pattern.\*

Instead, defendant relies primarily upon the testimony of other lighting fixture manufacturers. Defendant's desperation in this regard is evidenced by its statement (Appellee's Brief, page 41) that this testimony was "representative of a major portion of the lighting fixtures industry". Such statement is not only unsupported by the record but is palpably false. On the contrary, two of the largest lighting fixture manufacturers in this country, who therefore represent a more qualified sampling of the industry, are defendant herein and Day-Brite Lighting Company. We note that employees of each of these companies testified that the symbols K-4, K-5, K-11 and K-12 function primarily to indicate origin.

Of the eight lighting fixture manufacturers upon whose testimony defendant so heavily relies, six of these manufacturers are located in Los Angeles. Their testimony is

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\* Since 1962 Plaintiff has used the symbols K-88 and the symbol K-44 (in 1964) for lenses that have no pattern (P.X. 4, 10).

tainted with bias since they engaged in the unauthorized substitution of lighting panels, as did defendant, as explained more fully in Appellant's Opening Brief, at pages 27 and 28. One of these non-local fixture manufacturers, Haluk Lighting Co., represented by Mr. Seigel (Appellee's Brief, page 15), properly characterized the experiences of these small fixture manufacturers. This witness stated that at the "commercial level" *vis-a-vis* "the specification level" purchasers are less concerned with the source of lighting panels. The witness explained that orders at the commercial level are received using a request, such as "like" or "similar to" the product of a particular manufacturer. These commercial level situations are characteristic of small local fixture manufacturers dealing in small quantities of fixtures sold over the counter to remodeling contractors and the like. They do not involve specifications prepared by lighting engineers or architects. Since this case is concerned primarily with the specific requests presented in specifications, the testimony from persons who deal at the "commercial level" is understandably to be accorded little weight.

Defendant has also attempted to draw ambitious inferences from the failure of plaintiff to parade an unending testimony from actual purchasers (Appellee's Brief, pages 53-60). Expert testimony by qualified persons familiar with the specification system in the lighting products industry was relied upon by plaintiff as representative of this class of purchasers. Surely defendant does not suggest that a person who makes a single purchase would be more qualified than a person having years of experience in the industry. Defendant relied upon *its* two lighting engineers for their general knowledge and expertise, not because one of such specifiers was involved in one of the jobs for which plaintiff was able to obtain

documentary evidence. Plaintiff similarly relied upon *its* experts.

Defendant is aware that discovery proceedings in this action were terminated and further documentary evidence could not be obtained by plaintiff. Only after an unsuccessful Petition For Writ Of Prohibition to this Court, did the trial court offer plaintiff the opportunity to proceed with discovery four (4) days *after* the trial had commenced. It was during the trial, that plaintiff declined further discovery after the parties agreed that while other instances of substitutions existed, the issue of trademark significance of the trade symbols could be resolved by expert testimony rather than by the weight of numbers. Plaintiff still believes that this understanding was not only proper, but is also logical. This is the purpose and function of expert testimony.

Finally, defendant has attempted to apply the theory of “sophisticated purchasers” to this case with little consideration for the rationale of the rule. The doctrine is relevant to cases involving confusingly similar trademarks where the sophisticated purchasers are allegedly more discerning and thus able to distinguish between such trademarks and the products. In the present case, specifiers prepare a written specification which serves as an order that is passed through numerous hands to the seller and the product is eventually installed in a building. Only then, or when a problem occurs such as in the Lincoln Hospital job, is the specifier able to see what he “bought” and whether the intermediaries have faithfully executed his order. Because of defendant’s business practices, of purchasing and substituting lighting panels identical in appearance to those manufactured by plaintiff, without any marking of source thereon, the specifier is frustrated in ascertaining if he received the product he ordered.

Under these circumstances, a purchaser cannot rely upon sophistication, but must rather depend upon the execution of the order as he intended. In the present case, the sophisticated are as easily duped as the gullible.

### THE CASES UPON WHICH APPELLEE RELIES ARE LARGELY IRRELEVANT

At page 31 of Appellee's Brief, defendant admits that a trade symbol may serve a dual function as trademark and grade or pattern designation. At page 38 of Appellee's Brief, defendant admits that there is direct testimony that plaintiff's trade symbols are "associated with a product of the plaintiff", although defendant characterizes such association as incidental. Notwithstanding this apparent understanding of the applicable law as expounded in *Tillman & Bendell v. California Packing Corp.*, 63 F.2d 498 (9th Cir. 1933), plaintiff cites a number of inapposite cases. For example, plaintiff relies upon the case of *In re Union Oil Company of California*, 88 F.2d 492 (CCPA 1937) involving a refusal to register the numerals "76". Registration of this trade symbol was rejected in that case because *even at the time of adoption* the numerals were *descriptive* of a grade or quality of gasoline. Specifically, the numerals 76 were "within the range of the marks which appear to be ordinarily used to indicate octane". *Id.* at 495. By contrast, there is not one iota of evidence to show that any or all of the trade symbols K-4, K-5, K-11 and K-12 were descriptive of a pattern designation *at the time of adoption* by plaintiff. In fact, the lower court found that plaintiff is the only lighting panel manufacturer using these symbols. (Finding of Fact No. 9, Vol. I, R. 19)

Similarly, defendant discusses at pages 47 and 48 of Appellee's Brief, the case of *Kellogg Co. v. National Bis-*

*cuit Co.*, 305 U.S. 111, (1938) involving the alleged trademark “shredded wheat”. It will be immediately apparent, that at the time of adoption of an alleged mark such as “shredded wheat”, the term has descriptive significance. But it is equally apparent that a mark such as “K-4” which comprises an arbitrarily chosen number and a letter which corresponds to the first letter of plaintiff’s corporate name, has no inherent descriptive significance. Indeed, there was no evidence that the term had *ever* been used previously.

In the other cases cited in Appellee’s Brief, at pages 32-35 and pages 38-39, the courts found that the *sole* function of the trade symbols involved was to designate pattern or style. Since defendant concedes that there is testimony to the effect that there is trademark significance in plaintiff’s trade symbols, such cases are clearly irrelevant.

The issue in this case is whether the trade recognizes that the primary significance of the trade symbols K-4, K-5, K-11 and K-12 is to indicate source or origin rather than pattern. This case is before the Court for the reasons set forth at pages 19 through 21 of Appellant’s Opening Brief, namely, the trial court’s erroneous view of the law. We submit that the lower court decided this case on the grounds that alphanumeric symbols are innately incapable of becoming trademarks.

Defendant relies heavily upon the Findings of Fact and Conclusions Of Law prepared by it and signed without alteration or modification by the lower court. We do not doubt the right of the lower court to enter such Findings Of Fact and Conclusions Of Law. But we question the propriety of such action where the findings and conclusions prepared by one of the parties is inconsistent

with the basis of the decision as clearly manifested by the record. We submit that the lower court recognized that the primary significance of plaintiff's trade symbols was to indicate the source or origin of plaintiff's lighting panels, but erroneously decided that plaintiff had no protectible right. The record in toto simply does not support a finding that plaintiff's trade symbols were either descriptive or merely pattern designations.

Finally, in the event that this court believes that plaintiff's trade symbols while arbitrary at the time of adoption may have become pattern designations, we submit that defendant had the burden of proof that these symbols had become generic. Even assuming *arguendo* that plaintiff had the burden of proving "secondary meaning" it is pointed out that defendant's test (Appellee's Brief, page 0-51) is an incorrect statement of the law with respect to the burden of establishing this fact. Defendant states that "source motivation", *i.e.* that a purchaser is moved to buy an article because of the source, is a necessary element in establishing "secondary meaning" of an alphanumeric trade symbol. However, all of the cases cited for this proposition involve not a word or alphanumeric symbol but rather a *product* which had allegedly acquired a secondary meaning. *Bently v. Sunset House Distributing Corp.*, 359 F.2d 140 (9th Cir. 1966) (meatball mold); *Hygienic Specialties Co. v. H. G. Salzman, Inc.*, 302 F.2d 14 (2d Cir. 1962) (soap dish); *Blisscraft of Hollywood v. United Plastics, Co.*, 294 F.2d 694 (2d Cir. 1961) (polyethylene pitchers). Neither on the basis of precedent or logic can it be contended that the test for secondary meaning in *trademark* cases includes the extremely difficult burden of proving "source motivation".

## CONCLUSION

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For the foregoing reasons and for the reasons set forth in plaintiff's main brief, the relief prayed for in the Conclusion of plaintiff's main brief should be granted.

Respectfully submitted,

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